

Message Text

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ACTION NEA-10

INFO OCT-01 EB-08 ISO-00 /019 W
-----041517 181157Z /21

R 180800Z JAN 78
FM AMEMBASSY TEHRAN
TO USDOC WASHDC
USIA WASHDC
INFO SECSTATE WASHDC 6480

UNCLAS SECTION 1 OF 2 TEHRAN 0634

E.O. 11652: N/A
TAGS: BEXP IR
SUBJ: 6TH TEHRAN INTERNATIONAL TRADE FAIR

REF: A. 77 TEHRAN 1676; B. TEHRAN 0579

1. EMB PROPOSES US PARTICIPATE IN 6TH TEHRAN INTERNATIONAL TRADE FAIR TO BE HELD AT TEHRAN INTERNATIONAL TRADE FAIR GROUNDS SEPT 19 TO OCT 1, 1978. DUE STIFF COMPETITION FOR SPACE, EMB AHS ALREADY REQUESTED PAVILION 5A, THE SAME SPACE USED IN PREVIOUS YEARS.

2. THE RATIONALE FOR US PARTICIPATION IS UNCHANGED FROM A YEAR AGO AS SPELLED OUT IN DETAIL REFTEL. TITF IS CONSIDERED BY THE GOI TO BE THE MOST IMPORTANT COMMERCIAL EVENT HELD IN IRAN ANNUALLY. THE SHAH TRADITIONALLY OPENS THE FAIR, VIRTUALLY ALL HIGH LEVEL GOVT OFFICIALS (AS WELL AS KEY INDUSTRIALISTS AND OTHER BUSINESSMEN) VISIT THE DISPLAYS AND US ABSENCE WOULD BE CONSPICUOUS AND UNWELCOME. THE FAIR TRADITIONALLY ALSO HAS BEEN A COMMERCIAL SUCCESS FOR US PARTICIPANTS, WHILE OTHER COUNTRIES, MOST NOTABLY WEST GERMANY, HAVE FOUND THE TITF TO BE AN EFFECTIVE MARKETING MEDIUM FOR THEIR COMPANIES. THE LARGE NUMBER OF PRIVATE BUSINESSMEN ATTENDING MAKES IT AN IDEAL VEHICLE FOR NEW-TO-MARKET FIRMS SEEKING AGENTS AND FOR OLD-TO-MARKET FIRMS INTRODUCING NEW PRODUCTS OR PORCESSES. COMPARABLE ATTENTION ON UNCLASSIFIED

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THE PART OF TOP IRANIAN GOVT OFFICIALS WOULD BE DIFFICULT TO OBTAIN OTHERWISE, WHETHER SALES OR INSTITUTIONAL ADVERTISING BBE THE GOAL. SIMILARLY, THE FAIR IS A MAJOR EVENT FOR THE GENERAL POPULACE OF TEHRAN AND THOUGH THE LARGE CROWDS PLACE A STRAIN ON EXHIBITORS, PARTICULARLY ON FRIDAY AFTERNOONS, THEY DO PROVIDE AN EXCELLENT EXPOSURE OPPORTUNITY FOR MANUFACTURERS OF CONSUMER GOODS IN A COUNTRY IN WHICH ADVERTISING IS STILL IN ITS INFANCY.

3. THE EMB ESTIMATES PARTICIPATION COSTS AT

168,000 WHICH WOULD LEAVE A SHORTFALL OF \$43,000 IN SPITE OF
HIGHER REVENUES DERIVED FROM USE OF A RATE SCHEDULE IN LINE WITH
PREVIOUS DOC RECOMMENDATIONS. THE NEED FOR FINANCIAL ASSISTANCE
FROM USDOC AND USIA APPEARS TO BE INDICATED. DETAILED 1978 BUDGET
ESTIMATES ARE AS FOLLOWS:

LOCAL TRAVEL USDOC PERSONNEL (BASED ON 90 DAY TDY) 5,500
FREIGHT AND EXPRESS TO AND FROM PROJECT 500
RENTS, COMMUNICATIONS AND UTILITIES
TELEPHONE, TELEX, TELEGRAM, ETC. 5000
UTILITIES (AT FAIR GROUNDS) 4,0000
RENTAL OF PAVILION 72,0000
PRINTING AND REPRODUCTION (INCLUDES PAPER FOR CATALOG,
SPECIAL STATIONARY, ETC) 3,000
OTHER SERVICES
CONTRACT PERSONNEL
TWO BILINGUAL SECRETARIES AT \$1,000
PER MONTH FOR THREE MONTHS 6,000
FOUR RECEPTIONISTS AT \$50 PER DAY FOR
15 DAYS PLUS UNIFORMS 3,200
GUARD SERVICES FOR 20 DAYS 4,500
CLEANING SERVICES 2,000
TEA BOY FOR LOUNGE 400
MARKET PROMOTION (PHOTO COVERAGE, ETC.,) 2,000
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EXHIBITS AND DISPLAYS: SET UP AND DISMANTLING
OF SYSTEM, ELECTRICAL WORK, LETTERING, PREPARATION
OF SIGNS, ETC. 50,000
HOSPITALITY 2,500
EQUIPMENT PURCHASED OR RENTED (INCLUDES CARPETING,
LIGHTING FIXTURES, CABLE, PLUMBING, ETC). 12,000
TOTAL 168,100

4. REVENUE BASED ON MAXIMUM OF 33 BOOTHS OF VARIOUS
SIZES:

TWO BOOTHS MEASURING 3X7 METERS AT \$3,675 EQUALS \$5,350
FIVE BOOTHS MEASURING 5X6 METERS AT \$5,250 26,250
26 BOOTHS MEASURING 4X5 METERS AT \$3,500 91,000
TOTAL \$124,600

5. ACTION REQUESTED: USDOC

A. CONCURRENCE WITH EMB DECISION TO PARTICIPATE IN 6TH
TITF AND APPROVAL OF BUDGET AND SAMPLE LETTER.

B. AS IN PREVIOUS YEARS, USDOC PERSONNEL SUPPORT REQUIRED WOULD
BE ONE DUSEX FOR A 90 DAY PERIOD PLUS ONE ASSISTANT FOR A PERIOD OF

60 DAYS.

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ACTION NEA-10

INFO OCT-01 ISO-00 EB-08 /019 W
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TO USDOC WASHDC
USIA WASHDC
INFO SECSTATE WASHDC 6481

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C. FINANCIAL SUPPORT: AS INDICATED PARA 4, EMB ANTICIPATES A BUDGETARY SHORTFALL OF \$43,000. PAVILION RENTAL IS BASED ON OFFICIAL RATE SCHEDULE PUBLISHED BY THE INTERNATIONAL FAIRS AND EXHIBITIONS CORP. EMB WILL ATTEMPT, AS IN PAST YEARS, TO NEGOTIATE A 10 PERCENT REDUCTION, BUT SUCCESS CANNOT BE ASSUMED. THE OTHER MAJOR INCREASE IS CONTRACTOR COSTS FOR SET UP AND DISMANTLING OF THE SYSTEM. LABOR COSTS ARE HIGH IN TEHRAN, AND THE COMPETITION FOR THE SERVICES OF COMPETENT CONTRACTORS IS SEVERE. EMB DOUBTS SERVICES CAN BE PERFORMED FOR MUCH UNDER \$50,000. REQUESTS FOR BIDS ARE BEING PREPARED, BUT FIRM PRICE QUOTATIONS CANNOT BE EXPECTED FOR ANOTHER TWO MONTHS. IN ADDITION, FAIR AUTHORITIES HAVE REQUESTED A 50 PERCENT DOWN PAYMENT BY JAN 31. EMB HAS REQUESTED AN EXTENSION TO MARCH 15, BUT FEARS SUFFICIENT CONTRIBUTIONS WILL NOT BE RECEIVED BY THAT DATE. I. WILL FUNDS BE AVAILABLE FROM USDOC TO SUPPORT THIS YEAR'S PARTICIPATION? II. IF NOT, COULD USDOC ADVANCE FUNDS FOR PAYMENT DEPOSIT AND RECOUP FUNDS OUT OF EXHIBITOR COLLECTIONS?

D. AS BEFORE, EMB WOULD APPRECIATE USDOC SUPPORT IN RECRUITMENT EFFORT, RECRUITMENT TARGETS WILL BE OUTLINED IN SEPTEMBER.

6. ACTION REQUESTED: USIA. IS FUNDING AVAILABLE FOR POLITICAL PRESENCE FAIRS THIS YEAR AS WAS THE CASE IN 1977? (SEE REF B).

7. PROPOSED TEXT OF RECRUITMENT LETTER IS AS FOLLOWS:
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QUOTE. IT IS MY PLEASURE TO INVITE YOUR COMPANY TO PARTICIPATE IN THE UNITED STATES PAVILION AT THE SIXTH TEHRAN INTERNATIONAL TRADE FAIR TO BE HELD SEPTEMBER 19 TO OCTOBER 1, 1978. AT THE INTERNATIONAL FAIR GROUNDS IN TEHRAN. THE FAIR IS THE MOST IMPORTANT COMMERCIAL EVENT HELD ANNUALLY IN IRAN. IT IS OPENED BY THE SHAH AND ATTENDED BY VIRTUALLY ALL HIGH LEVEL GOVERNMENT OFFICIALS AND PRIVATE BUSINESSMEN.

QUOTE. THE EXCELLENT IRANIAN RESPONSE TO OUR PAVILION IN PAST YEARS SUGGESTS VERY STRONGLY THAT EXHIBITION AT THE FAIR IS AN EXCELLENT OPPORTUNITY FOR AMERICAN MANUFACTURERS AND SUPPLIERS TO INTRODUCE THEIR GOODS AND SERVICES INTO THE IRANIAN MARKET. THE AMERICAN EMBASSY IN TEHRAN IS READY TO ASSIST YOU IN IDENTIFYING MARKETS, CUSTOMERS AND POSSIBLE LOCAL REPRESENTATIVES. THE UNITED STATES DEPARTMENT OF COMMERCE WILL BE SUPPORTING THE EMBASSY IN ORGANIZING THE PAVILION AND WILL PROVIDE A FULL TIME EXHIBITION DIRECTOR.

QUOTE. IF YOU THINK THAT THE TEHRAN INTERNATIONAL FAIR MAY FIT INTO YOUR MARKETING PLANS FOR 1978, PLEASE CONTACT MR FRANK MANZOLILLO, COMMERCE ACTION GROUP FOR THE NEAR EAST, ROOM 6015, U.S. DEPARTMENT OF COMMERCE, WASHINGTON, D.C., 20230, PHONE 202-377-2991, OR MISS BARBARA SCHELL, COMMERCIAL SECTION, U.S. EMBASSY TEHRAN, PHONE 824-001, EXT. 1119. WE WILL BE HAPPY TO PROVIDE YOU WITH FURTHER DETAILS CONCERNING PARTICIPATION.

QUOTE. SPACE AVAILABLE RENTAL AND FEES ARE AS FOLLOWS: TWENTY SIX BOOTHS MEASURING 4 BY 5 METERS, \$3,500 EACH; TWO BOOTHS MEASURING 3 BY 7 METERS, \$3,675 EACH; AND FIVE BOOTHS MEASURING 5 BY 6 METERS, \$5,250 EACH. SPACE IS ALLOCATED ON A FIRST COME FIRST SERVE BASIS. THE PRICE INCLUDES THE BOOTH, CARPETING, LETTERING, LIGHTING, UNCLASSIFIED

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GUARD AND CLEANING SERVICES, PARTICIPATION IN AMERICAN DAY RECEPTION HOSTED BY THE AMBASSADOR, ACCESS TO A BUSINESSMAN'S LOUNGE, AND A PAVILION CATALOG. EXHIBITORS IN THE AMERICAN PAVILION MAY AVAIL THEMSELVES OF AN EMBASSY GUARANTEE TO TEMPORARILY IMPORT DISPLAY ITEMS. EXHIBITORS WISHING OUTSIDE SPACE SHOULD APPLY DIRECTLY TO THE FAIR AUTHORITIES. THE RATE IS \$15.00 PER SQUARE METER. OUTSIDE EXHIBITORS CAN BE INCLUDED AS CONTRIBUTORS IN THE AMERICAN PAVILION ENTITLING THEM TO INCLUSION IN THE CATALOG, PARTICIPATION IN THE AMERICAN DAY RECEPTION, AND USE OF PAVILION FACILITIES FOR A FEE OF \$300.

QUOTE. I LOOK FORWARD TO HEARING FROM AND WORKING WITH YOU AND

TO A SUCCESSFUL PROMOTION EFFORT BY YOUR FIRM IN THE GROWING
IRANIAN MARKET. SINCERELY YOURS, DAVID E WESTLEY, COMMERCIAL
ATTACHE. UNQUOTE.
SULLIVAN

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Message Attributes

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Disposition History: n/a
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Secure: OPEN
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